



Los Angeles County
Board of Supervisors

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April 20, 2007

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TO: Each Supervisor

FROM: Bruce A. Chernof, M.D.
Director and Chief Medical Officer

SUBJECT: **SOLE SOURCE AGREEMENT WITH THE UNIVERSITY OF
SOUTHERN CALIFORNIA FOR PACEMAKER SURVEILLANCE
SERVICES AT LAC+USC MEDICAL CENTER**

Bruce A. Chernof, MD
Director and Chief Medical Officer

John R. Cochran III
Chief Deputy Director

Robert G. Splawn, MD
Senior Medical Officer

As required by your Board, this is to provide advance notification that the Department of Health Services (DHS) intends to recommend a sole source Agreement with the University of Southern California (USC) for pacemaker surveillance services at LAC+USC Medical Center (LAC+USC). The annual County cost is \$42,000 and the total maximum obligation for the six-year term of the Agreement, effective upon approval by your Board, is \$252,000. Approximately 45 patient visits at \$75 per visit will be provided each month.

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Since 1981, LAC+USC has contracted with USC for pacemaker surveillance services. The Agreement authorizes USC to provide a range of heart pacemaker services to approximately 45 patients monthly who received pacemaker implantation at LAC+USC. These services include monthly telephonic testing of patients with pacemakers, in-hospital monitoring and analysis of pacemaker activity in patients experiencing complications as determined by LAC+USC physicians.

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through leadership,
service and education*

On June 25, 1995, the Board approved an Agreement with USC for these services effective July 1, 1995 through June 30, 1997. Subsequently, the Board approved Amendments to extend the Agreement through June 30, 2006. On May 16, 2006, the Board approved an Amendment which extended the Agreement through March 31, 2007. At that time, the Department indicated that a Letter of Interest (LOI) would be released in May 2006 to determine whether other vendors exist to provide the full scope of pacemaker surveillance services for LAC+USC.

The LOI was released in May 2006. However, LAC+USC subsequently determined that pacemaker patients' needs would be better served by continuing the long-standing relationship between LAC+USC's doctors who perform the pacemaker implantation and the USC staff who perform the subsequent pacemaker surveillance monitoring. Accordingly, the LOI was cancelled.



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In light of the Agreement's impending expiration on March 31, 2007, USC was requested to enter into a successor Agreement at the current rate of \$50 per case. USC responded they were not willing to enter into a new Agreement without a rate increase. USC requested a \$75 per case rate since the last increase was in 1990. DHS believes the rate increase is reasonable and will recommend a new sole source Agreement with USC for your Board's approval within the next month.

If you have any questions or need additional information, please let me know.

BAC:rf

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors